

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT
NASHVILLE, TENNESSEE**

MAY 22, 2000

IN RE:)	
)	
APPLICATION OF SBC TELECOM, INC. FOR)	DOCKET NO. 00-000025
A CERTIFICATE OF PUBLIC CONVENIENCE)	
AND NECESSITY TO PROVIDE FACILITIES-)	
BASED AND RESOLD COMPETING LOCAL)	
EXCHANGE SERVICE AND INTEREXCHANGE)	
TELECOMMUNICATIONS SERVICES WITHIN)	
THE STATE OF TENNESSEE)	

**ORDER GRANTING CERTIFICATE OF
PUBLIC CONVENIENCE AND NECESSITY**

On March 28, 2000, this matter came before the Tennessee Regulatory Authority ("Authority"), upon the Application of SBC Telecom, Inc. ("SBC Telecom") for a Certificate of Public Convenience and Necessity as a Competing Telecommunications Service Provider to offer a full array of telecommunications services within the State of Tennessee (the "Application"). The Application was made pursuant to Tenn. Code Ann. § 65-4-201 *et seq.*

LEGAL STANDARD FOR GRANTING CCN

SBC Telecom's Application was considered in light of the criteria for granting a certificate of public convenience and necessity ("CCN") as set forth in applicable statutes. Tenn. Code Ann. § 65-4-201 provides, in part:

- (a) No public utility shall establish or begin the construction of, or operate any line, plant, or system, or route in or into a municipality or other territory already receiving a like service from another public utility, or

establish service therein, without first having obtained from the authority, after written application and hearing, a certificate that the present or future public convenience and necessity require or will require such construction, establishment, and operation, and no person or corporation not at the time a public utility shall commence the construction of any plant, line, system or route to be operated as a public utility, or the operation of which would constitute the same, or the owner or operator thereof, a public utility as defined by law, without having first obtained, in like manner, a similar certificate

* * *

(c) After notice to the incumbent local exchange telephone company and other interested parties and following a hearing, the authority shall grant a certificate of convenience and necessity to a competing telecommunications service provider if after examining the evidence presented, the authority finds:

(1) The applicant has demonstrated that it will adhere to all applicable commission policies, rules and orders; and

(2) The applicant possesses sufficient managerial, financial and technical abilities to provide the applied for services.

An authority order, including appropriate findings of fact and conclusions of law, denying or approving, with or without modification, an application for certification of a competing telecommunications service provider shall be entered no more than sixty (60) days from the filing of the application.

(d) Subsection (c) is not applicable to areas served by an incumbent local exchange telephone company with fewer than 100,000 total access lines in this state unless such company voluntarily enters into an interconnection agreement with a competing telecommunications service provider or unless such incumbent local exchange telephone company applies for a certificate to provide telecommunications services in an area outside its service area existing on June 6, 1995.

In addition, pursuant to Tenn. Code Ann. § 65-5-212, competing telecommunications providers are required to file with the Authority (1) a plan containing the provider's plan for purchasing goods and services from small and minority-owned telecommunications businesses; and (2) information on programs that might provide technical assistance to such businesses.

INTERVENORS

Public notice of the hearing in this matter was made by the Authority's Executive Secretary, pursuant to Tenn. Code Ann. § 65-4-204. No interested persons sought intervention prior to or during the hearing.

SBC TELECOM'S HEARING

SBC Telecom's Application was uncontested. At the hearing held on March 28, 2000, SBC Telecom was represented by Ms. D. Billye Sanders of Waller Lansden Dortch & Davis, 511 Union Street, Suite 2100, Nashville, Tennessee 37219. In addition, Mr. Kevin M. Chapman, SBC Telecom's Director-Regulatory Relations presented testimony and was subject to examination by the Authority's Directors. SBC Telecom, through its counsel, requested that the confidential documents that had been filed under seal in this docket remain under seal and not be disclosed to the public. The Authority granted SBC Telecom's request. Upon conclusion of the proof in SBC Telecom's case, the Authority granted SBC Telecom's Application based upon the following findings of fact and conclusions of law:

I. APPLICANT'S QUALIFICATIONS

1. SBC Telecom is a Delaware corporation that was incorporated on November 20, 1998. SBC Telecom has obtained the required authority to transact business in the State of Tennessee.

2. The complete street address of SBC Telecom's principal place of business is 175 E. Houston Street, San Antonio, Texas 78205. The phone number is (210) 351-3427 and the fax number is (210) 351-3630. SBC Telecom's counsel are D. Billye Sanders of Waller Lansden Dortch & Davis, 511 Union Street, Suite 2100, Nashville, Tennessee 37219, Thomas W. Hartmann, Vice President and General Counsel, SBC Telecom, Inc.,

175 E. Houston Street, Room 1256, San Antonio, Texas 78205 and William A. Adams, Arter & Hadden, LLP, One Columbus, 10 West Broad Street, Suite 2100, Columbus, Ohio 43215.

3. The Application and supporting documentary information existing in the record indicate that SBC Telecom has the requisite technical and managerial ability necessary to provide a full array of local exchange and interexchange telecommunications services within the State of Tennessee on a facilities-based and resale basis. SBC Telecom's management and technical teams have particular expertise in the development and deployment of facilities-based and resold telecommunications services.

4. SBC Telecom has the necessary capital and financial capability to provide the services it proposes to offer.

5. SBC Telecom has represented that it will adhere to all applicable policies, rules, and orders of the Authority.

II. PROPOSED SERVICES

1. SBC Telecom intends to provide resold and facilities-based local and interexchange telecommunications services to residential and business customers, including, but not limited to, access to 911 and E911 emergency services; white pages and directory assistance; consumer access to and support for the Tennessee Relay Center in the same manner as the incumbent local exchange telephone companies; free blocking for 900, 976 type services in accordance with TRA policy; Lifeline and Link-up services to qualifying customers; and educational discounts in existence as of June 6, 1995. SBC Telecom will also provide operator call completion services, access to interexchange carriers, and custom calling features.

2. Except as may be authorized by law, SBC Telecom does not intend to serve any areas currently being served by an incumbent local telephone company with fewer than 100,000 total access lines where local exchange competition is prohibited pursuant to Tenn. Code Ann. § 65-4-201(d).

III. PERMITTING COMPETITION TO SERVE THE PUBLIC CONVENIENCE AND NECESSITY

Upon a review of the Application and the record in this matter, the Authority finds that approval of SBC Telecom's Application would inure to the benefit of the present and future public convenience by permitting competition in the telecommunications services markets in the State and by fostering the development of an efficient technologically advanced statewide system of telecommunications services.

IV. SMALL AND MINORITY-BASED TELECOMMUNICATIONS BUSINESS

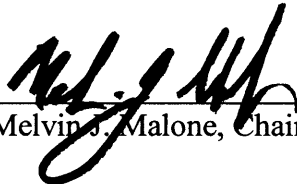
1. SBC Telecom has filed a satisfactory small and minority-owned telecommunications business participation plan, pursuant to Tenn. Code Ann. § 65-5-212 and the Authority's Rules.

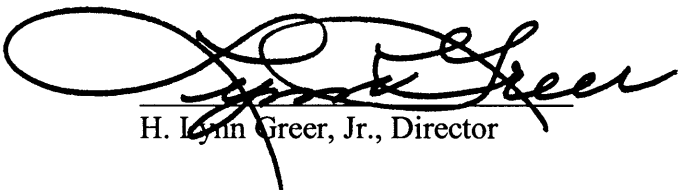
2. SBC Telecom has acknowledged its obligation to contribute to the funding of the small and minority-owned telecommunications business assistance program, as set forth in Tenn. Code Ann. § 65-5-213.

IT IS THEREFORE ORDERED THAT:

1. SBC Telecom's Application as applied for is approved.
2. Any party aggrieved by the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within fifteen (15) days from and after the date of this Order.

3. Any party aggrieved with the Authority's decision in this matter has the right of judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within sixty (60) days from and after the date of this Order.


Melvin J. Malone, Chairman


H. Lynn Greer, Jr., Director


Sara Kyle, Director

ATTEST:


K. David Waddell, Executive Secretary